

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES Minerals & Mining Program - Oli & Gas Section 2050 West Main, Suite #1, Rapid City, SD 57702-2493 Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

RECEIVED

MAY 15 2006

OEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

| | Type of work: Drill News Well Reenter Well Drill Directional Well X Oil Well Gas Well Injection Other ATE GEOL FIELD OF WESTERN FIELD OF Other Tolerhouse Tolerh | | | | | | | |
|------------------------|--|---|-----------------|----------------------------|---|------------------------------|---|--|
| | Other ATE G | Other ATE GEOVERN FIELD OTHER | | | | | | |
| l | Name and Address of Unerator: | | | | | | | |
| Ч | Spyglass Cedar Creek LP 353 Mill St., New Brunsfies, TX 78130 (830) | | | | | | | |
| - | Name and Address of Surface Owner: 626-7445 | | | | | | | |
| İ | Life Estate of Clarice M. Price HC59 Box 17, Camp Crook, SD 57724 | | | | | | | |
| | Name and Address of Drilling Contractor and Rig Number: Patterson Drilling, 1512 Larimer St. Denver, CO 80202 Rig #464 | | | | | | | |
| | Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): | | | | | | | |
| | SW SW Sec 24 T19N R4E 660"FSL 660" FWL Sec 24 Harding Co, SD | | | | | | | |
| | If Directional, top of pay and bottom hole location from nearest lines of section: | | | | | | | |
| | 45-35'26.28" | | | | | | | |
| | Acres in Spacing (Drilling) Unit (03° 35' 0/. 87" Description of Spacing Unit | | | | | | | |
| | 160 SW 1/4 Sec 24 T19N R4E | | | | | | | |
| | Well Name and Number | | Elevation | Field and Pool, or Wildcat | | Proposed Depth and Formation | 1 | |
| | 13-24R P | 13-24R Price | | Wildo | cat | 5700 Minnelusa | | |
| | Size of Hole | Size of Casing | Weight per Foot | Depth | Cementing Program (amount, type, additives) Depth | | 7 | |
| | 1) 12 1/4 2) | 9 5/8 | 36# | 1495 | 240 Sacks + | 2% CaCl2 | | |
| | 3) 4) | | | | | | | |
| | Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of | | | | | | | |
| | Starting any Proposed Work). Use additional page(s) if appropriate. | | | | | | | |
| | Plan to re-enter above wll and test Minnelusa @ 5700 | | | | | | | |
| | Approx. date June 5, 2006 | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation. | | | | | | | |
| | Duane Estelle Partner 5/12/06 | | | | | | | |
| | Signature Name (Print) Title Date | | | | | | | |
| ## FOR OFFICE USE ONLY | | | | | | | | |
| | Approyed By: Heed Witee Title: 0il and Gas Supervisor | | | | | | | |
| | Permit No. 1780 API No. 40 063 20542.01 Date Issued: June 9, 2006 | | | | | | | |
| | Conditions, if any, on attached page. | | | | | | | |